

# Export Opportunities in Mexico for Textiles and Apparel

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# Mexico Textile and Apparel Import Market (global 2012)

Commodity	Description	Value (USD millions)	Percent of imports
50-63	<b>Textiles and Apparel</b>	<b>9,425</b>	100 %
61	Knit Apparel	1,427	15 %
62	Woven Apparel	1,258	13 %
52	Cotton, Yarn and Woven Fabric	1,209	12 %
54	Manmade Filament Yarns and Woven Fabrics	1,041	11 %
59	Impregnated Textile Fabrics; Industrial	1,033	✓ 10 %
55	Manmade Staple Fibers Yarns and Woven Fabrics	769	8 %
60	Knit Fabrics	732	7 %
56	Wadding, Felt, Twine, Ropes Etc.	645	6 %

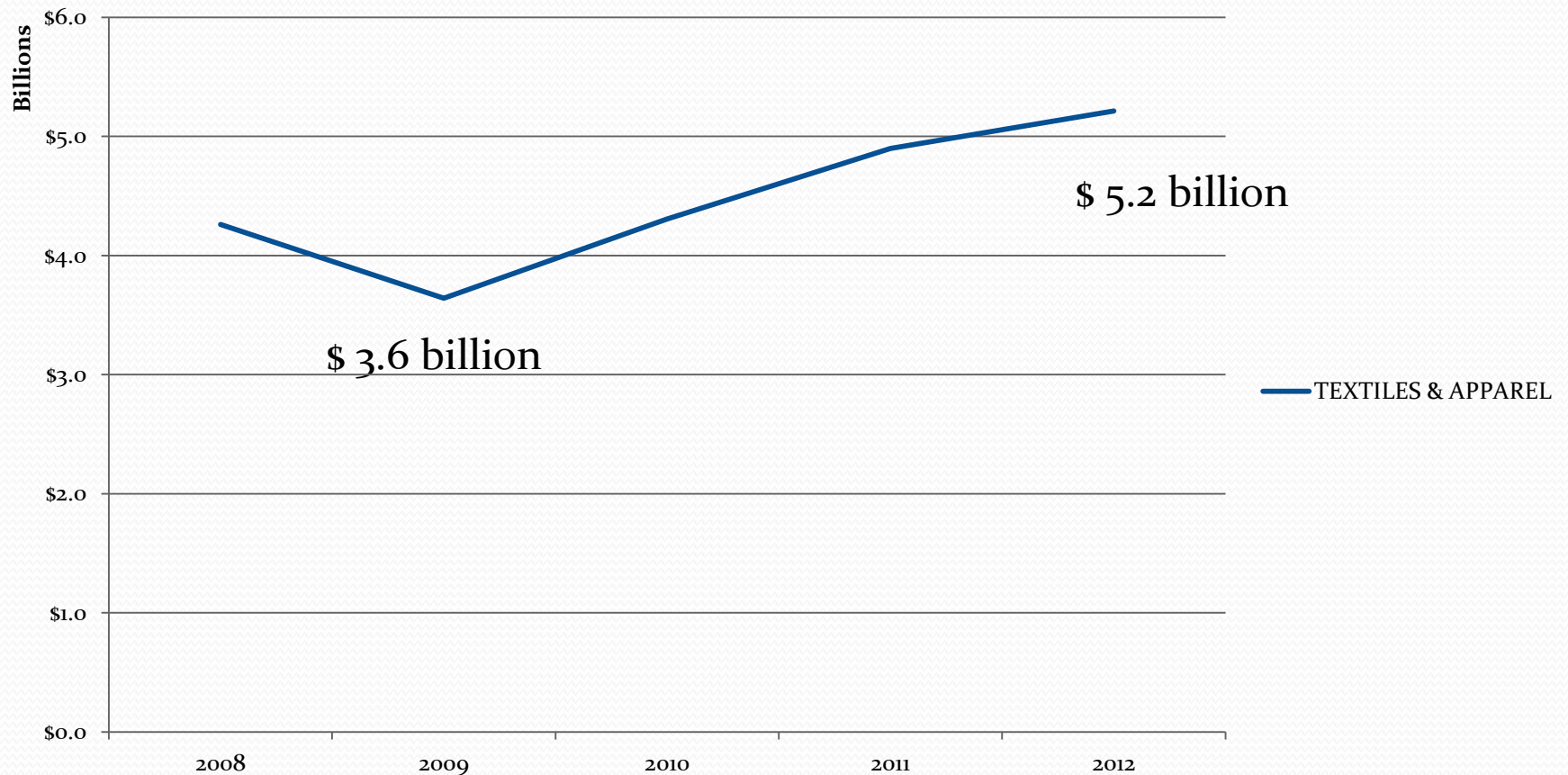
Source of Data: INEGI [2006-present]

# U.S Textile and Apparel Exports to Mexico

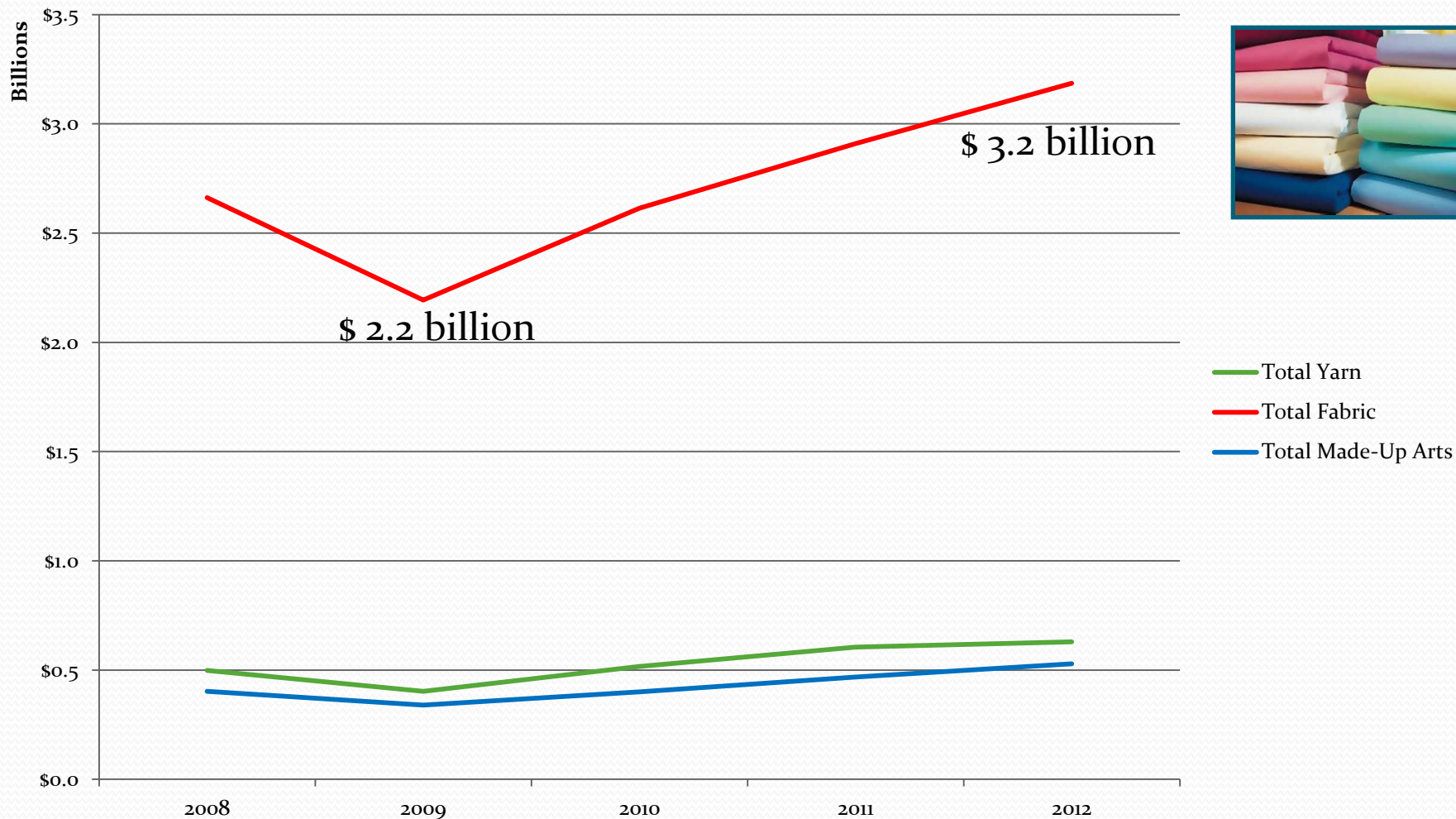
Description	12 months thru 08/2013 (USD millions)	Percent of U.S. exports
Textiles and Apparel	5,494	24%
Apparel	855	15%
Yarn	687	13%
<b>Fabric</b>	3,373	<b>39%</b>
Specialty and Industrial Fabrics	1,648	44%
Other Fabrics	1,725	
Made-Up Articles	576	16%

# Exports of Textiles and Apparel to Mexico (2008 – 2012)

## TEXTILES & APPAREL



# U.S. Fabric Exports to Mexico (2008 – 2012)



# U.S. Exports of Industrial Fabrics (USD millions)

Market	2009	2011	12-mos. thru Sept 2013	Growth 2009-2013
World	\$ 2541	3379	3710	46%
Western Hemisphere	\$ 1663	2229	2543	53%
Canada	\$ 489	606	592	21%
Mexico	\$ 883	1258	1613	83%
CAFTA-DR	\$ 150	185	154	2%

# The NAFTA Benefit!

## Textile and Apparel Provisions



- Duty free market access = no tariff, duty free!
  - Rule of Origin – ‘yarn forward’
- Safeguard
- Customs Cooperation (anti fraud)

# Customs Cooperation for a Stronger Trade



- Fraud hurts the regional trade
- Multilateral (NAFTA) measures to ensure that textile and apparel goods do not circumvent the rule of origin
- NAFTA Parties can conduct verification procedures
  - determine that a claim for origin of a textile and apparel good is accurate
  - allow the exchange of information between Parties when a suspicious transaction occurs
  - permit an importing Party to suspend preferential tariff treatment to the textile and apparel good under suspicion or any textile and apparel good produced or exported by a specific company



# SAT Verification of Origin Audits

- Focus on textiles & apparel began in 2011 in an effort to combat illegal transshipment.
- Many affected companies contacted USG to request assistance because of the broad scope and nature of the documentation SAT requested.
- In February 2012, SAT committed to adopt an improved, less burdensome process for audits.
- New procedures have been implemented on a case-by-case basis, including the use of “selective sampling.”

# SAT Audits: Best Practices

- Keep all documentation related to NAFTA transactions on file for at least 5 years.
- Read the letter carefully and contact SAT immediately with any questions.
- Respond within the designated timeframe (usually 30 calendar days).
- Ask the designated SAT contact person if your company is eligible for an audit under streamlined procedures, which include the use of selective sampling on a case by case basis.
- Keep detailed records of all communications with SAT.



# Online Resources

- NAFTA Verification/Audit Manual:  
[http://www.cbp.gov/xp/cgov/trade/trade\\_programs/international\\_agreements/free\\_trade/nafta/verification\\_audit\\_manual/](http://www.cbp.gov/xp/cgov/trade/trade_programs/international_agreements/free_trade/nafta/verification_audit_manual/)
- SAT Verification of Origin Website:  
[http://www.sat.gob.mx/verificacion\\_origen/index\\_en.html](http://www.sat.gob.mx/verificacion_origen/index_en.html)



# OTEXA Website: Your Textile and Apparel Resource

<http://otexa.trade.gov>

- Trade Data
  - U.S. Imports
  - U.S. Exports
  - FTA Data
  - Trade Preference Programs
- Free Trade Agreements
  - Summary of the Agreements
  - Legal Texts and Documents
  - Trade Data
  - Safeguards
  - Commercial Availability
- Trade Preference Programs
  - AGOA
  - CBTPA
  - HOPE Act
- Export Information



# Other Online Resources

- U.S. Customs  
[http://www.cbp.gov/xp/cgov/trade/trade\\_programs/textiles\\_and\\_quotes/](http://www.cbp.gov/xp/cgov/trade/trade_programs/textiles_and_quotes/)
  - Import Regulations
  - Rulings and Ruling Requests
- U.S. ITC – Tariff Schedule <http://usitc.gov/>
- Census – Schedule B <http://www.census.gov/foreign-trade/schedules/b/>
- U.S. Trade Representative – NAFTA Text <http://www.ustr.gov/trade-agreements/free-trade-agreements/north-american-free-trade-agreement-nafta>
- Export.gov <http://www.export.gov>



# Questions?



- If you have a question, please press \*1 or submit it in writing using the “Q&A” or “Ask a Question” feature.
- We will address as many questions as time allows.
- The remaining questions will be addressed via email following the webinar.
- If questions come up later, please contact us.

# Thank You

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